

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF SANTA FE ENERGY
RESOURCES, INC. FOR COMPULSORY
POOLING AND AN UNORTHODOX OIL
WELL LOCATION, LEA COUNTY,
NEW MEXICO.

NO. _____

APPLICATION

Santa Fe Energy Resources, Inc. hereby makes application for an order pooling all mineral interests from the surface to the base of the Devonian formation underlying the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 27, Township 15 South, Range 34 East, N.M.P.M., Lea County, New Mexico, and granting an unorthodox oil well location, and in support thereof states:

1. Applicant is a working interest owner in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 27, and has the right to drill a well thereon.

2. Applicant proposes to drill its Grassland "27" Well No. 1, at an unorthodox oil well location 1243 feet from the South line and 353 feet from the East line of the Section, to a depth sufficient to test the Devonian formation, and seeks to dedicate the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 27 for all pools or formations spaced on 40 acres.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 27 for the purposes set forth herein.

4. Although Applicant has attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in